MONTANA LEGISLATIVE HISTORY

Chapter 28 19 71

Bill H 184 S _____ Original bill & history ___C

H. Committee on Judiciary		S. Committee on Taxation	
Hearing Date(s) Jan 22	✓C	Hearing Date(s) Feb 06	✓C
_____	___C	_____	___C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Jan 22	✓C	Feb 06	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

February 6, 1971

The regular meeting of the taxation committee was held on the above date in room 402 at 9 A.M., and with a quorum showing on roll call, the chairman, Senator Nees called the meeting to order.

Representative Murphy explained that H. B. 179 and Harold Stoll gave the explanation of the need for it from the State Board of Equalization.

Representative Murphy explained that H. B. 181 was nearly the same as H. B. 380, which was also in taxation committee, and he would recommend the committee killing H. B. 181.

Rep. Murphy explained briefly H. B. 184. Harold Stoll explained this money did not stay in the hands of the heirs, but if not collected by the state, went to the Federal government.

Discussion was held and questions asked of Representative Murphy and Harold Stoll and they were excused.

HB 179: Motion by Mathers, Seconded by Manning, H. B. 179 do BE CONCURRED IN. Voted, Passed.

HB 181: Motion by Mathers, second by Broeder that H. B. 181 BE NOT CONCURRED IN. Voted, Passed.

HB 184: Motion by Mathers, second by Manning, that H. B. 184 BE CONCURRED IN. Voted, Passed.

HB 84: Request to hold for Senator Turnage on Tuesday.

HB 23: Motion by Senator Rostad, Second by Mathers House Bill 23 BE CONCURRED IN. Voted, Passed.

HB 129: Request to hold until tuesday for Senator Mathers to receive some information.

Discussion will be held on Tuesday Feb 9 on Senate Bills 36, 3, and 295; and on House Bills 129, and possibly 84.

The meeting was adjourned.

Senator Nees, Chairman

January 22, 1971

JUDICIARY COMMITTEE

The meeting was called to order at 9:00 a.m. on Friday, January 22 in room 300 of the Capitol Building with Jeffrey J. Scott, Chairman presiding. All members were present with the exception of Mr. Mather.

SENATE BILL 26 — Senator Dave Manning gave an explanation of this bill, which is cited as the 1971 Bond Validating Act". He stated that this was the same bill that was introduced in the House. Questions were asked and the witness was excused.

Executive Session: — Mr. Greely moved that Senate Bill 26 be tabled. The motion carried.

SENATE BILL 15 — Senator Moore, chief sponsor, gave a description of this bill, which would validate all joint tenancies created prior to July 1, 1963. There were no proponents and no opponents. No questions were asked and the hearing was closed.

Executive Session: — Mr. Warfield moved that Senate Bill 15 BE CONCURRED IN. Motion carried.

HOUSE BILL 179 — Representative Murphy introduced Mr. Tom Stoll of the State Board of Equalization who he said would explain HB 179, 180, 181 and 184. Mr. Stoll explained this bill stating that it would provide that inheritance taxes be collected by only the state board of equalization and county treasurer. There were no opponents and the hearing on this bill was closed.

HOUSE BILL 180 — Mr. Stoll explained the contents of this bill, which would rescind the requirement that the order determining inheritance tax be mailed to the state treasurer. There were no questions and the hearing on this bill was closed.

HOUSE BILL 181 — Mr. Stoll explained the contents of this bill, which would provide for monthly rather than quarterly reports of inheritance taxes collected by county treasurers and by state treasurers. There were no questions and the hearing was closed.

HOUSE BILL 184 — Mr. Stoll gave some background information in connection with this bill and explained the contents. This bill would clarify the application of the estate tax upon transfers of estates of decedents and would include nonresident estates. Questions were asked and the witness was excused.

Executive Session: Mr. Baeth moved that on House Bills 179, 180, 181, and 184 the titles be amended by adding the material ", AND PROVIDING AN EFFECTIVE DATE." The motion carried.

Mr. Hall moved that House Bill 179 be amended on page 2, section 1, line 18, after the material "office" by adding the following material: "The copy of the receipt given to the executor, administrator, or trustee shall be a proper voucher in the settlement of his accounts." Motion carried. A motion was made that House Bill 179 DO PASS as amended. Motion carried.

A motion was made that House Bill 180 DO PASS as amended. Motion carried.

A motion was made that HOuse Bill 181 DO PASS as amended. Motion carried.

Mr. Murphy moved that House Bill 184 be further amended on section 1, subsection (d), page 3, line 15 of the original and reproduced bill, after the word "property" by deleting the following material "subject to the taxes until the same are paid." and inserting in lieu thereof the following material "for a period of ten (10) years from the date of death, unless sooner paid." The motion carried. A motion was made that House Bill 184 DO PASS as amended. The motion carried.

There being no further business before the committee, the meeting was adjourned.

Jeffrey J. Scott, Chairman

Alice Omang, Secretary

lessee. The board may, after ten (10) days' notice to the lessee, change the time and place of hearing.

Conduct of hearing. *Under such rules as it shall provide, the board shall conduct an open hearing to determine whether the lease should* Burden of proof. *be reinstated. The burden of proof shall be on the lessee* Testimony. *to show why the lease should not be cancelled. All testimony* Reinstatement. *shall be given under oath and reduced to writing. If the lease is reinstated, all of the lessee's rights and privileges* Releasing. *thereunder shall be preserved; if not, the land shall be open for releasing as provided by law. If the board finds that the terms of the lease have been violated but, in its judgment, the violation is not serious enough to warrant cancellation, it may reinstate the lease and assess a penalty up* Penalties. *to three (3) times the annual rental against the lessee."*

Effective immediately. Section 6. This act is to become effective upon its passage and approval.

Approved February 16, 1971

CHAPTER NO. 28

An Act Amending Section 91-4411, R.C.M. 1947, to Clarify the Application of the Estate Tax Upon Transfers of Estates of Decedents; to Include Nonresident Estates Under the Act; to Provide an Apportionment Formula when Estate is Partly Within and Partly Without the State; and to Provide a Tax Situs for Property for Estate Tax Purposes, and Providing an Effective Date.

Be it enacted by the Legislative Assembly of the State of Montana:

Amending clause. Section 1. Section 91-4411, R.C.M. 1947, is amended to read as follows:

"91-4411. **Estate tax.** (a) In addition to the *inheritance* Estate tax imposed. taxes hereinabove imposed, an estate tax is hereby imposed upon the transfer of *the estate of every decedent leaving an estate which is subject to the Federal estate tax imposed by the United States of America under the applicable provisions of the Internal Revenue Code and which has, in* Taxable situs. Computation. *whole or in part, a taxable situs in this state. The tax hereby imposed upon the transfer of each such estate shall be equal to the maximum tax credit allowable for state death taxes against the Federal estate tax imposed with respect to*

the portion of the decedent's estate having a taxable situs in this state, less the inheritance taxes, if any, due this state, it being the purpose and intent of this section to Purpose. *impose only such additional taxes hereunder as may be necessary to give this state the full benefit of the maximum tax credit allowable against the Federal estate tax imposed with respect to a decedent's estate which has a taxable situs in this state. If only a portion of a decedent's estate has a* Computation on portion. *taxable situs in this state, such maximum tax credit shall be determined by multiplying the entire amount of the credit allowable against the Federal estate tax for state death taxes by the percentage which the value of the portion of the decedent's estate which has a taxable situs in this state bears to the value of the entire estate.* The tax Disposition of tax monies. imposed herein shall be collected by the several county treasurers or the state *board of equalization for deposit with the state treasurer* and distributed as hereafter provided. *For the purpose of this tax, the taxable situs of* Taxable situs defined. *property shall be the same as the taxable situs for inheritance tax purposes.*

(b) **When payable.** The estate tax shall be payable Time for payment. to the county treasurer of the county in which such estate is being probated at the same time, or times, at which the United States tax is payable and shall bear interest, if Interest. any, at the same rate and for the same period as such United States tax.

(c) **Liability.** Administrators, executors, trustees and Liability for taxes. grantees under a conveyance, made during the grantor's life and taxable hereunder, shall be liable for such taxes with interest, until the same have been paid.

(d) **Lien.** Said taxes and interest shall be, and remain, Lien for ten years. a lien on the property *for a period of ten (10) years from the date of death, unless sooner paid.*

(e) **Extension of time.** The district court of the county District court may extend time for payment. in which such estate is being probated may, for cause shown, extend the time of payment of said tax whenever the circumstances of the case require.

(f) **Duplicate returns.** It shall be the duty of the legal Duty to file duplicate returns. representative of the estate of any decedent, whose estate may be subject to the payment of a United States estate tax, to file duplicates of the United States estate tax returns with the district court of the county in which such

Evidence of federal tax.

estate is being probated. He shall also file with such court a certificate or other evidence from the bureau of internal revenue showing the amount of the United States estate tax as computed by that department. The district court shall hear all parties desiring to be heard with respect to the amount of state estate tax and shall enter an order determining such tax and the amount thereof so due and payable. Any person in interest aggrieved by such determination shall have the same right of rehearing and appeal as is now provided for in the determination of inheritance taxes.

Order determining tax.

Rehearing and appeal.

Purpose.

(g) **Intent of subdivisions (a) to (h).** It is hereby declared to be the intent and purpose of subdivisions (a) to (h) to obtain for this state the benefit of the credit allowed under the provisions of said Internal Revenue Code, to the extent that this state may be entitled by the provisions of said act, by imposing additional taxes and the same shall be liberally construed to effect this purpose.

Saving clause.

(h) **Provisions applicable.** The provisions of sections 91-4401 to 91-4456, inclusive, relating to the tax on inheritances and transfers, shall apply to the taxes imposed by subdivisions (a) to (h), in so far as the same are applicable and not in conflict with the provisions hereof."

Effective immediately.

Section 2. This act is effective on its passage and approval.

Approved February 16, 1971

CHAPTER NO. 29

An Act to Provide for the Establishment, Organization and Operation of the Agricultural Experiment Station by Amending Sections 75-8411, 75-8428, and Repealing in their Entirety Sections 75-8412, 75-8413, 75-8414, 75-8415, 75-8416, 75-8417, 75-8418, 75-8419, 75-8420, 75-8421 and 75-8422 of the Higher Education Laws Recodification of the Forty-Second Session Laws of Montana.

Be it enacted by the Legislative Assembly of the State of Montana:

Amending clause.

Section 1. Section 75-8411, R.C.M. 1947, is amended to read as follows:

"75-8411. **Agricultural experiment station—*establishment,* purpose.** (1) There is establisehed at *the state university at Bozeman,* and under its direction, an agricultural experiment station, by *virtue of the Hatch Act,* approved *by Congress on* March 2, 1887. The provisions, donations and benefits contained in that act and all acts supplementary thereto or amendatory thereof, are accepted and adopted by the state of Montana.

Agricultural experiment station established at state university. State adopts Hatch Act.

(2) *The purpose of the agricultural experiment station shall be to conduct and promote studies, scientific investigations and experiments relating to agriculture, natural resources and rural life, and to diffuse information thereby acquired among the people of Montana.*

Purposes.

(3) *The agricultural experiment station shall include, in addition to the central location at Bozeman, the designated research centers and other affiliated testing and research facilities."*

Additional facilities.

Section 2. Section 75-8428, R.C.M. 1947, is amended to read as follows:

Amending clause.

"75-8428. **Purposes of Northern Montana College.** (1) Northern Montana College has for its purpose, instruction and education in:

Northern Montana college—mandatory instruction.

(a) the English language, history, literature, mathematics, bookkeeping, moral philosophy and political, rural and household economy;

(b) mechanical arts, agricultural chemistry, animal and vegetable anatomy and physiology, and veterinary art;

(c) entomology, geology, and such other natural sciences as may be prescribed by the regents;

(d) agriculture, horticulture, and especially the application of science and the mechanical arts to practical agriculture in the field;

(e) irrigation and use of water for agricultural purposes; and

(f) all that relates to an efficient, modern manual training school."

Section 3. **Duties of director of the agricultural experi-**